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Noted by DD/I

18 JAN 1962 22 January 1962

Key DoD Proposed Revisions to Draft NSAM on Military Assistance Guidelines

1. Move Para 6 up to Para 4. It reads logically there, and is applicable generally to the six countries, before proceeding to the specifics of each country. Revise the paragraph to read:

"One major technique of MAP adjustment should continue to be a selective stretch-out of force improvement in the six countries considered by the Military Assistance Steering Group (Greece, Turkey, Iran, Pakistan, Korea, and the GRC). The objective of such a stretch-out should be to assure the minimum defense burden on the country taking into account the local threat, both internal and external, and the demands for more accelerated economic development. [However, it is necessary to assure that any planned stretch-out of military assistance will still provide an effective force for the military mission within limits of feasibility.] Any stretch-out of modernization resting on an assumption of U. S. forces, assuming a greater role in consequence, should be supported by an analysis indicating the feasibility and relative cost of U. S. forces assuming such additional roles and missions. Wherever politically feasible, the introduction of modern weapons systems should not exceed the capability of local financial, manpower, and skill resources to absorb them".

2. Replace present Para 4 by the following two paragraphs:

"X. In addition, early decisions are required in Iran and Korea:

a. A reduction of Iranian force levels to 150,000 is approved in principle, and State and AID are directed to submit prompt recommendations as to the approach to be made to the Shah and the amounts

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of MAP for force modernization that should be included in this approach. Every effort should be made to minimize "glamor" items and to stay within a MAP delivery level of \$300 million for FY 1963-68, which it is estimated would preserve the capability of Iranian armed forces at present levels notwithstanding the force level reduction.

b. For Korea, the President favors a substantially greater emphasis on AID programs along the lines proposed by the Steering Group, but recognizes that a reduction in Korean force levels in the magnitude proposed may not be feasible in light of the Communist Chinese threat, and raises difficult timing problems in any case. He reserves final judgment until State, AID, and Defense can study this problem further and prepare firm FY 1963-68 recommendations. Their report, to be submitted by 15 June 1962, should include a full review of: (a) the relative threats to US interests in Korea; (b) such military factors as the desirable level of U. S. forces in Korea and the proper military mission for ROK forces; (c) the desirability of accelerated economic aid in the light of ROK absorptive capacity; and (d) the political problems involved. For illustrative purposes, and to facilitate completion of MAP programs in light of the policy decisions reached as a result of this review, the appropriate field agencies should submit an analysis of the impact on MAP of reductions from the present level of 18 Army divisions plus 1 Marine division at the rate of two divisions per year down to a level of 11 divisions.

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Y. Military Assistance Plans for FY 1964-68 (including the final proposed FY 1963 Program) for Greece, Turkey, Pakistan, and the GRC should be prepared as follows, for submission by 15 July 1962 and subsequent decision:

a. For Greece and Turkey, in order to assess the feasibility of the financial guidelines proposed by the Steering Group, and the degree to which they can be achieved over time and without damage to our over-all NATO policy, the Plan should be prepared on the basis of current policy guidance including this memorandum, with an accompanying analysis showing the effect of achieving the financial levels indicated by the Steering Group. The judgment of the Ambassadors and the Unified Commands on these plans and alternatives should be obtained.

b. For Pakistan, plans should be prepared on a basis reflecting close adherence to present commitments, and with the timing of deliveries stretched out to the maximum consistent with political considerations. Additional commitments should be undertaken only for overriding political reasons and upon approval by the President.

c. For the GRC, the basic plan should seek to adhere as closely as possible to FY 1963 Congressional Program levels, (\$160 million annually) with items above this figure specifically justified. An alternative should be developed, purely on a contingency basis, to indicate what might be involved in carrying out the proposal considered by the Steering Group."

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